

# Statewide Healthcare Task Force

Utah Medical Association

May 16, 2007



# Task Force Members

- UMA members
- Variety of specialties
- Variety of philosophies on how to resolve problem of uninsured and under-insured

# Task Force Purpose

- Resolution 7: Reasonable and Timely Health Care for All People of Utah, 2005
- Develop a policy statement on coverage for uninsured and underinsured in Utah

# Task Force Purpose

- “What will it take for all Utahns to have access to basic healthcare?”
- “What would this system look like?”

# Guiding Statement

- The Utah Medical Association believes that all people in Utah must have equitable access to needed healthcare that is affordable and of high quality.

# Framework

- Does not advocate a specific model for healthcare
- All stakeholders in state's healthcare system should partner to create pragmatic, achievable reform package
  - Which embodies above principles

# Framework: Insurance

- Operates on principle of cost diffusion through shared risk:
  - Many pay relatively small amount of money
  - Which then pays for expensive services, ultimately used by only a small number of these people

# Framework: Insurance

- Shared risk is useful for
  - Expensive care
  - Relatively unusual diseases
  - Catastrophic care

# Framework: Insurance

- Shared risk is not adequate meant to provide for:
  - Preventive and primary care
  - Management of common chronic diseases

# Framework: Insurance

- When transfer resources to insurance pool
  - Increases cost for group as whole
  - Decreases autonomy
  - Reduces risk
  - Incentivizes to overconsume when someone else pays the bill

# Framework: Insurance

- Inadequate funding provides perverse incentive to avoid preventive and primary care
  - Prepaid medical care
  - Current system: hidden costs to patient

# Framework

- Since all persons require healthcare during the course of their lives
  - Cost of healthcare system should be shared throughout society.

# Framework

- Uninsured and underinsured are not a static group
  - Transition based on:
    - Employment changes
    - Student status
    - Marital status
    - Age
    - Financial circumstances
    - Other

# Framework

- Must provide continuous coverage
  - Episodic coverage leads to fragmented care
    - More expensive care by delayed management, more advanced disease at diagnosis
    - More expensive when seek care in E.D., and without needed follow-up

# Framework:

## Continuous coverage

- Practice of denying coverage for pre-existing medical conditions is counterproductive and must be eliminated

# Framework: Shared costs

- Healthcare is more effective when patients have some financial responsibility for the cost of their care.
  - Shared decision making
  - Based on value and need
  - Equitable
  - Adjusted to the means of the individual

# Framework:

## Shared costs

- Preventive and Primary care should come at little cost to individual
  - Should be strongly encouraged or given incentives to make good use of such services

# Framework:

## Shared costs & transparency

- Costs, quality measures, and reimbursement should be transparent, empowering patients to make decisions based on:
  - Cost
  - Risks
  - Benefits
  - Quality

# Framework: Shared Costs

- Cost of healthcare to the purchaser should be similar whether purchased:
  - Privately or publicly
  - Individually or as a group

# Framework: Shared costs

- Cost of healthcare for those in lowest income levels must be equitably shared by all in the system.

# Framework:

## Healthy lifestyle choices

- There should be an incentive for healthy living
- Societal entities which promote behaviors which increase disease burden should be required to make extra financial contributions to the healthcare system.

# Framework

- Coverage must be required.
- People without insurance are likely to get healthcare anyway
- Community is unwilling to allow uninsured to go without healthcare, even if lack of insurance is willful and negligent.

# Framework:

## Required coverage

- “Being a free rider works”, relying on others’ generosity.

“Safety net” care is not as valuable as insurance coverage

2/3 of uninsured are uninsured by choice

# Guiding Principles

- 2 a. Basic healthcare package should:
  - Require that all persons participate in their healthcare choices
  - And bear a portion of their healthcare expenses requisite with their resources

# Guiding Principles

- 2. b. Allow all Utahns to choose their desired healthcare provider
- 2. c. Provide incentives for healthy living and responsible utilization of health services

# Guiding Principles

- 2. d. Promote obtaining high quality primary and preventive health care.
- 2. e. Be completely portable.

# Guiding Principles

- 2. f. Be continuous and not result in lapsed coverage due to changes in income, employment, age or marital status.

# Guiding Principles

- 2. g. Fairly distribute the cost of care for all Utahns
  - The cost of obtaining healthcare for individuals should be similar regardless of payor.
  - The expense to individuals should be requisite to his or her resources.

# Guiding Principles: Cost

- All stakeholders, government, private, non-profit, not-for-profit and for-profit
- Insurers, government, hospitals
- Physicians and all citizens
  
- Should share in the burden of care for the medically underserved

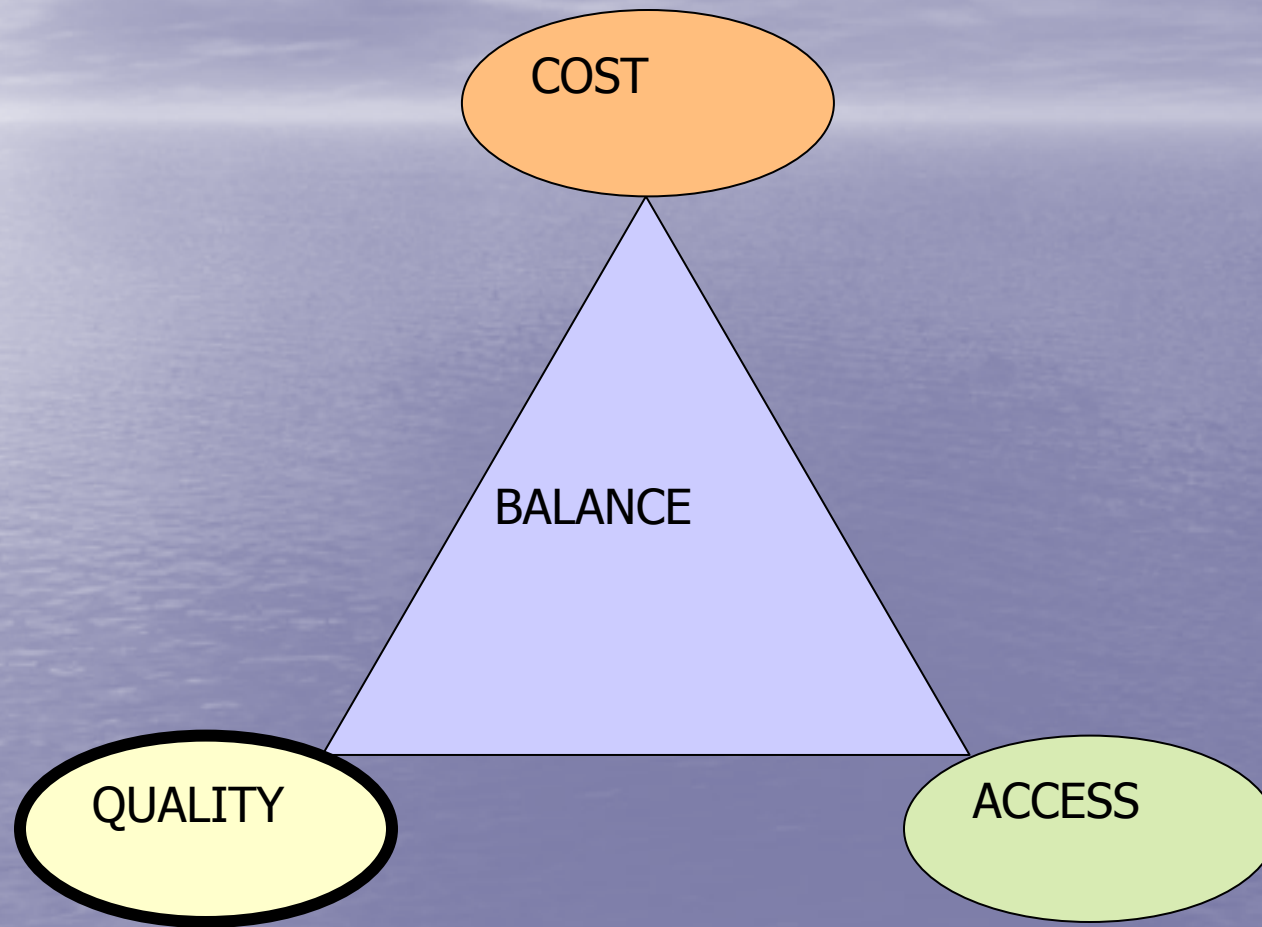
# Guiding Principles: Cost

- In order to maximize the benefits of risk sharing, no single entity should carve out the healthiest or lowest-risk patients from the risk pool.

# Guiding Principles: Cost

- System should:
  - Encourage evidence-based care
  - Encourage innovation and technology
  - Which improves outcomes and lowers cost

# Guiding Principles: Cost



# Guiding Principles

- 2. h. Maintain a high quality pool of medical caregivers
  - Attract best students to medicine
  - Motivates high quality, efficient, compassionate doctors
  - To remain working in their profession
  - And in their chosen work setting.

# Guiding Principles: Medical Caregivers

- THIS INCLUDES SOLVING OUR MEDICAL TORT CRISIS.

# Guiding Principles: Medical caregivers

- Legislative and governmental licensure/laws should support excellence in health care provider training rather than supporting minimal standards.

# Guiding Principles

- 2. i. Provide timely care.
- 2. j. Promote efficiency and minimize administrative costs.

# Guiding Principles

- 3. Basic package would be universal and required.
  - Additional coverage could be purchased by groups, individual, employers or others in a competitive marketplace.

# Guiding Principles

- Necessary legislation must respect the professional doctor/patient relationship
  - And minimize interference.
  - What's best for the patient and the healthcare system?

# Guiding Principles: Basic healthcare package

- Determined by a committee
  - Members will be appointed as defined by law
  - Will include citizens that represent the complete community dynamics

# Guiding Principles

- 1. Utah should adopt comprehensive reform of its healthcare coverage system which equitably provides a basic package of needed healthcare to all who live in Utah.

# Guiding Principles: Basic package

- “Needed”
  - Any healthcare interventions necessary to prolong life or relieve suffering.
  - Must be defined as part of reform process
  - Must be compatible with societal values and resources
  - Evidence-based, cost-effective
  - Include acute care, chronic disease management, prevention and catastrophic

# Guiding Principles: Basic Package

- “Healthcare” is broader than medical care.
  - Includes: disease prevention
  - Public health interventions
  - Mental health care
  - Dental care

# Guiding Principles: Basic Package

- “Provides” means that all persons have access to these services
  - Without barriers due to financial status, culture, language or geography

# Guiding Principles: Basic Package

- “All” includes citizens and non-citizens living in Utah regardless of health history.

# Guiding Principles: Committee

- Includes, but not limited to:
  - Patients
  - Providers
  - Payers
  - Staffed by experts in healthcare

# What's next?

- Getting all stakeholders together
- Developing a plan for healthcare reform that embodies above principles
- Setting aside political agendas
- Political will (enough pain?)
- What is best for the patient and for the healthcare system?